

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0056P

Income Tax

Calendar Years 1994-1995

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d), 45 IAC 15-11-2

Taxpayer protests the imposition of the negligence penalty.

STATEMENT OF FACTS

Taxpayer incorporated in Tennessee has a manufacturing plant in Indianapolis and was qualified to do business in Indiana in 1990.

I. Tax Administration – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent in its failure to remit tax due.

Taxpayer states that it believed it had overpaid other Indiana taxes “far in excess of the amount of taxes indicated here.” However, their computer records did not show that two duplicate checks had been voided. Taxpayer enclosed payment for the taxes and interest with the hope that the department would abate the penalties.

The issue is not whether the taxpayer remitted other taxes in excess but the proper reporting and payment of gross and adjusted gross income taxes.

The taxpayer failed to include the sale of assets and inventory in gross income and failed to addback property taxes in adjusted gross income. All issues are clear in the Indiana Code and Indiana Regulation, therefore the penalty may not be waived.

FINDING

Taxpayer's protest is denied.